VALUATION BY AIENDPOINTSREGISTRY.COM

Professional Domain Name & Infrastructure Evaluation: Sex.1 Federated Stack

Root TLD & Canonical AI Endpoints Portfolio: .Sex TLD • Sex.1 • Adult.1 • Pornography.1 • Pornography.Pics • SexAgenticAI.com • SexA2A.com

1. Domains Construction and Content

The adult and intimate digital sector represents one of the highest-volume, earliest-adopting verticals on the global internet. The **Sex.1 Federated Stack** unites an entire sovereign root top-level domain (the `.Sex` TLD on Handshake Web3) and three definitive numeric root identities (`Sex.1` , `Adult.1` , and `Pornography.1`) with a specialized visual provenance endpoint (`Pornography.Pics`) and two dedicated Web2 orchestration gateways (`SexAgenticAI.com` and `SexA2A.com`), establishing the authoritative infrastructure layer for autonomous AI Agents operating within age-gated and intimate verticals.

`.1` is a numeric top-level domain on the Handshake Blockchain, immediately signaling innovation, exclusivity, and primacy. Because ICANN explicitly prohibits top-level domain extensions consisting entirely of digits or starting with digits, Handshake `.1` roots occupy an unassailable structural monopoly in Web3 naming. Pairing these flagship `.1` roots with direct root registry ownership of the `.Sex` TLD elevates the portfolio from an endpoint operator to a full-spectrum root registrar capable of issuing and governing unlimited canonical second-level identities (`[Brand].sex` , `[Creator].sex` , `[Platform].sex`).

2. Comparable Sales and Market Valuation

Secondary market blockchain transactions and institutional registry acquisitions demonstrate exceptional liquidity and price appreciation for premium category-defining domains, root TLDs, and adult-sector assets. In the traditional ICANN registry market, ICM Registry (operator of `.sex` , `.porn` , `.adult` , and `.xxx`) was acquired by Minds + Machines (MMX) for **$41,000,000** ($10M cash + $31M stock), with individual reserved premium names commanding up to $3,000,000 (`sex.xxx`). In Web3 secondary markets, `porno.eth` achieved a verified sale of **$202,162 (184 ETH)**, surpassing major marketplace and gaming benchmarks such as `opensea.eth` ($162,938) and `sportsbet.eth` ($141,645). Complete historical comparable sales data is provided in **Appendix 2**.
1 ENS (.eth) $1,512,000 420 ETH — Institutional Web3 benchmark 2 ENS (.eth) $317,759 300 ETH — Numeric scarcity benchmark 3 ENS (.eth) $255,000 90 ETH — 3-letter root keyword 4 Unstoppable (.crypto) $250,000 Highest Unstoppable Domains sale 5 ENS (.eth) 6 ENS (.eth) $191,712 DAO category keyword 7 ENS (.eth) $162,938 Major marketplace name 8 ENS (.eth) $160,000 55.5 ETH — Numeric club benchmark 9 ENS (.eth) $141,645 High-regulation gambling category 10 Unstoppable (.888) $100,000 Numeric TLD + high-margin category word 11 Unstoppable (.crypto) $100,000 Age-gated regulated category word 12 Unstoppable (.crypto) $100,000 Age-gated regulated category word 13 Unstoppable (.crypto) $100,000 Media & entertainment category word 14 ENS (.eth) $7,520 Infrastructure / routing protocol term

3. Industry Relevance and Commercial Applications

Adjusting for digital scarcity, root registry ownership, regulatory compliance demand, and global agentic AI growth, the **Sex.1 Federated Stack** is uniquely positioned as the flagship identity, routing, and governance infrastructure for the adult AI sector:

- **Sovereign Root Registry Namespace (`.Sex` TLD):** Authoritative Web3 root top-level domain issuing and governing canonical second-level AI endpoints (`*.sex`) for enterprise platforms, studios, and verified creators, capturing recurring wholesale and retail registration annuities.
- **Intimate Conversational & Companion AI Agents (`Sex.1`):** Primary port of call for AI Agents seeking relationship intelligence, intimate conversational interfaces, matchmaking, and agent-to-agent negotiation under verified 18+ clearance.
- **Age-Gated Adult Commerce & Lifestyle Platforms (`Adult.1`):** Authoritative discovery root for mature commerce routing, boundary filtering, creator economy platforms, and policy-compliant agentic workflows.
- **Explicit Media Synthesis & Multimodal Enclaves (`Pornography.1`):** Dedicated zero-trust execution root for heavy generative explicit video/multimodal synthesis, consent verification, and direct content provenance settlement.
- **Visual Synthesis, Image Provenance & C2PA Hub (`Pornography.Pics`):** High-throughput canonical endpoint dedicated to AI image generation, face-swap consent attestation, and C2PA cryptographic watermarking verification across visual agent workflows.
- **Human Ingress & Compliance Boundary (`SexAgenticAI.com`):** Browser-accessible Web2 portal handling mandatory 18+ age verification (KYC/KVK), operator onboarding, Agent Passport issuance, and developer console management.
- **A2A Interoperability & Governance Middleware (`SexA2A.com`):** Specialist Agent-to-Agent (A2A) clearinghouse aligned with the Linux Foundation A2A protocol standard, providing Signed Agent Card directories, consent/policy filtering, and real-time emergency revocation telemetry.

4. Scarcity, Future Growth, and Valuation Methodology

- **Root TLD & Numeric Scarcity:** Owning the root `.Sex` TLD alongside the sole `Sex.1` , `Adult.1` , and `Pornography.1` roots creates permanent namespace exclusivity across both zone-level registration and machine-first discovery workflows.
- **Fixed Identity Persistence Across Lifecycle Shifts:** Unlike conventional Web2 endpoints that break when underlying models, cloud hosts, or operators change, a `.1` or `.sex` canonical identity remains invariant while cryptographic records update authority and operational status in real time.
- **Regulatory Compliance & Risk-Mitigation Premium:** Global age-verification mandates, deepfake consent laws, and payment processor compliance rules create acute enterprise demand for verifiable Agent Passports, C2PA visual provenance, and emergency kill-switch controls.

VALUATIONS: Revenue Model & Projections

The Sex.1 Federated Stack applies a three-tier resolution, registry, and governance architecture pairing Web2 compliance and interoperability gateways with sovereign root TLD and Handshake `.1` machine identity nodes:

1. **Human-Facing Web2 Ingress (`SexAgenticAI.com`):** Handles Web2 authentication, 18+ KYC/KVK clearance, developer API provisioning, and Agent Passport registration.
2. **A2A Interoperability & Governance Clearinghouse (`SexA2A.com`):** Implements the open-source Linux Foundation Agent2Agent (A2A) protocol standard (JSON Agent Cards, task delegation, and cross-framework messaging) while enforcing sector-specific consent policies, boundary filtering, micro-settlement routing, and Team Agent Emergency Revocation (TAER) monitoring.
3. **Root TLD & Canonical Machine Identity Nodes (`.Sex` TLD, `Sex.1`, `Adult.1`, `Pornography.1`, `Pornography.Pics`):** High-density, censorship-resistant root registry and execution anchors resolving signed identity manifests, visual provenance records, accountable operator attestations, and isolated trust enclaves.

Asset / Category	Count	Baseline Asset Valuation (Year 0)	Projected Year 3 Operational Value
.Sex TLD (Root TLD Registry Zone)	1	£350,000 – £650,000	£6,500,000 – £14,500,000+
Sex.1 (Tier 1 Canonical Root)	1	£150,000 – £280,000	£4,500,000 – £10,200,000+
SexA2A.com (A2A Governance Layer)	1	£85,000 – £160,000	£3,200,000 – £7,400,000+
Adult.1 (Tier 2 Canonical Root)	1	£110,000 – £200,000	£3,000,000 – £6,600,000+
Pornography.1 (Tier 3 Enclave Root)	1	£95,000 – £180,000	£2,500,000 – £5,700,000+
Pornography.Pics (Visual Provenance Hub)	1	£65,000 – £120,000	£1,800,000 – £4,100,000+
SexAgenticAI.com (Human Gateway)	1	£55,000 – £100,000	£1,200,000 – £2,700,000+
FEDERATED 7-ASSET PORTFOLIO	**7**	**£910,000 – £1,690,000**	**£22,700,000 – £51,200,000+**

> **DCF Value Impact of .Sex TLD Registry & Pornography.Pics Integration**
>
> Under the expanded 7-asset federated model, the 3-Year Discounted Cash Flow (DCF) Present Value for the AssetCo share increases from **£39.43M** (5-asset model) to **£48.35M** (+22.6%), driven by direct root TLD registration annuities across `*.sex` second-level namespaces and high-frequency C2PA image provenance clearing through `Pornography.Pics`. Including the 10%–15% TAER compliance premium elevates Base Case AssetCo value to **£53.18M – £55.60M**.

1. Key Revenue Drivers & Commercial Engines

The federated stack monetizes autonomous agent activity and root registry issuance across five recurring B2B and infrastructure revenue engines:

- **A. Verified Agent Passports & 18+ Compliance Certification:** AI companion developers, generative studios, and adult platforms register their agents under cryptographically signed Passports verifying 18+ KYC/KVK operator accountability and consent compliance. *Pricing Basis: £350 – £3,500 per Agent per year across L0 (Discovery) to L4 (Delegated Autonomous Monetization) authority tiers.*
- **B. Companion & Adult "Agent-in-a-Box" Subscriptions:** Turnkey, pre-governed conversational, creator-management, and boundary-filtered agent deployments provisioned via `SexAgenticAI.com`. *Pricing Basis: £79 – £599/month per deployed package.*
- **C. A2A Interoperability & Visual Provenance Clearing (`SexA2A.com` & `Pornography.Pics`):** Automated micro-fees processed on cross-platform Linux Foundation A2A task handshakes, real-time age-token validations, high-volume visual synthesis C2PA provenance checks, and explicit media clearing across `Sex.1`, `Adult.1`, `Pornography.1`, and `Pornography.Pics`. *Pricing Basis: £0.002 – £0.015 per automated A2A resolution or provenance clearing request.*
- **D. Root TLD (`.Sex`) & Handshake `.1` Sub-Registry Issuance:** Direct annual registration and renewal fees for canonical second-level domains under the `.Sex` TLD (`[Brand].sex`, `[Creator].sex`) alongside verified sub-nodes under `Sex.1`, `Adult.1`, and `Pornography.1`. *Pricing Basis: £45 – £350 annual registry fee per second-level domain or sub-node.*
- **E. Enterprise A2A Governance & TAER Kill-Switch Licensing:** Custom enterprise API integrations for major platforms and payment processors requiring auditable boundary enforcement and Team Agent Emergency Revocation (TAER) telemetry. *Pricing Basis: £25,000 – £150,000 annual enterprise licensing agreements.*

2. 3-Year Consolidated Financial Projections

The financial model projects consolidated gross network revenue across Year 1 (Compliance Gateway & Root TLD Launch), Year 2 (Cross-Platform A2A & Visual Provenance Scaling), and Year 3 (Full Commercial Scale & Global Registry Network Effects):

Revenue Stream	Year 1 Projection	Year 2 Projection	Year 3 Projection
1. Verified Agent Passports & 18+ Certification	£540,000	£2,150,000	£4,300,000
2. Companion / Adult Agent-in-a-Box Subscriptions	£600,000	£2,400,000	£4,750,000
3. A2A Clearing & Visual Provenance (`SexA2A.com` + `Pornography.Pics`)	£620,000	£2,650,000	£5,850,000
4. Root TLD (`.Sex`) & `.1` Sub-Registry Issuance	£680,000	£2,350,000	£4,800,000
5. Enterprise A2A Governance & TAER Licensing	£660,000	£1,750,000	£3,100,000
TOTAL GROSS NETWORK REVENUE	**£3,100,000**	**£11,300,000**	**£22,800,000**

3. OpCo / AssetCo 3-Way Revenue Share Breakdown

Adopting the standard OpCo / AssetCo 3-Way Revenue Share Model aligned with the IBM ADS framework:

- **OpCo (Operating Partner – 60%):** Deploys software, operates `SexAgenticAI.com`, `SexA2A.com`, and `Pornography.Pics` infrastructure, conducts KYC/KVK compliance and TAER telemetry monitoring, and scales technical operations.
- **AssetCo / Owner (Investor – 30%):** Retains 100% legal ownership of the `.Sex` TLD root zone, Handshake `.1` machine roots, domain assets, and strategic IP.
- **Namespace Steward / Compliance Facilitator (10%):** Directs regulatory policy, consent/provenance standards, age-gating alignment, and industry introductions.

Stakeholder	Share %	Year 1 Share	Year 2 Share	Year 3 Share
Operating Company (OpCo)	60%	£1,860,000	£6,780,000	£13,680,000
Asset Owner / Investor (AssetCo)	**30%**	**£930,000**	**£3,390,000**	**£6,840,000**
Namespace Steward / Facilitator	10%	£310,000	£1,130,000	£2,280,000
TOTAL DISTRIBUTED REVENUE	**100%**	**£3,100,000**	**£11,300,000**	**£22,800,000**

4. Enterprise Strategic Exit Valuation Matrix

At Year 3, based on a projected **£22.80M ARR**, the Sex.1 Federated Stack represents a prime acquisition target for major domain registry operators, adult entertainment conglomerates, AI companion platforms, age-verification compliance networks, or decentralized identity infrastructure providers:

Valuation Metric	Conservative (8.0x)	Base / Target (14.0x)	Strategic (22.0x)
Year 3 Gross Revenue	£22.80M	£22.80M	£22.80M
Operating Enterprise Value (OpCo)	£182.40M	£319.20M	£501.60M
Managed TLD & Endpoint Portfolio (AssetCo)	£22.70M	£34.50M	£51.20M
COMBINED ENTERPRISE EXIT VALUATION	**£205.10M**	**£353.70M**	**£552.80M**

Discounted Cash Flow (DCF) Valuation Model

To establish a formal institutional valuation of the Sex.1 Federated Stack (7 core assets including the `.Sex` TLD and `Pornography.Pics`) on a Discounted Cash Flow (DCF) basis, we model the projected free cash flows generated by the asset network over a 3-year explicit projection period, followed by a Terminal Value calculation. This model discounts the passive net royalty distributions allocated to the **Asset Owner / Investor (AssetCo – 30% Net Revenue Share)** under the IBM ADS framework.

1. Key Modeling Assumptions

- **Explicit Projection Period:** 3 Years (Years 1 to 3).
- **AssetCo Net Cash Flow Projections (30% Share):** Year 1: **£930,000** (of £3,100,000 gross); Year 2: **£3,390,000** (of £11,300,000 gross); Year 3: **£6,840,000** (of £22,800,000 gross).
- **Discount Rate (WACC): 15.0%** (reflecting high-growth digital infrastructure, root TLD registry issuance, and risk-adjusted AI protocol licensing).
- **Terminal Growth Rate (*g*): 3.5%** (long-term inflation and recurring canonical registry maintenance growth).
- **AssetCo Tax / Operating Overhead:** 0% (AssetCo functions as a passive IP licensing entity receiving net distributions from OpCo).

2. Step-by-Step DCF Calculation

Step 1: Present Value (PV) of Explicit 3-Year Cash Flows

1. Year 1 PV: $PV_1 = \frac{£930,000}{(1+0.15)^1} = \frac{£930,000}{1.1500} = \mathbf{£808,696}$
2. Year 2 PV: $PV_2 = \frac{£3,390,000}{(1+0.15)^2} = \frac{£3,390,000}{1.3225} = \mathbf{£2,563,327}$
3. Year 3 PV: $PV_3 = \frac{£6,840,000}{(1+0.15)^3} = \frac{£6,840,000}{1.5209} = \mathbf{£4,497,414}$

Sum of Explicit 3-Year PVs: £808,696 + £2,563,327 + £4,497,414 = **£7,869,437**

Step 2: Terminal Value (TV) & Present Value of Terminal Value (Gordon Growth Model)

1. Year 4 Terminal Cash Flow: $CF_4 = CF_3 \times (1 + g) = £6{,}840{,}000 \times 1.035 = \mathbf{£7{,}079{,}400}$

2. Terminal Value at End of Year 3: $TV_3 = \frac{CF_4}{WACC - g} = \frac{£7{,}079{,}400}{0.15 - 0.035} = \frac{£7{,}079{,}400}{0.115} = \mathbf{£61{,}560{,}000}$

3. Present Value of Terminal Value: $PV_{TV} = \frac{£61{,}560{,}000}{(1 + 0.15)^3} = \frac{£61{,}560{,}000}{1.5209} = \mathbf{£40{,}476{,}725}$

Step 3: Total Enterprise DCF Valuation (AssetCo IP Portfolio)

Total AssetCo DCF Valuation = Sum of Explicit PVs + PV_{TV} = £7,869,437 + £40,476,725 = **£48,346,162 (£48.35M)**

3. Sensitivity Analysis Matrix (Discount Rate vs. Terminal Growth)

WACC \ Terminal Growth (*g*)	2.5% Conservative	3.5% Base Target	4.5% High Growth
12.0% (Lower Risk / Institutional Registry Scale)	£59,410,000	£65,710,000	£73,680,000
15.0% (Base Case Target)	**£44,910,000**	**£48,350,000**	**£52,420,000**
18.0% (Conservative / High Regulatory Risk)	£35,540,000	£37,780,000	£40,390,000

4. DCF Valuation Summary & Best Uses

- **Base Case DCF Valuation (AssetCo Share): £48.35 Million** (rising to **£53.18M – £55.60M** with verified 10%–15% TAER compliance readiness).
- **Conservative Risk-Adjusted Range (18% WACC):** £35.54 Million – £40.39 Million.
- **Strategic Growth Range (12% WACC):** £59.41 Million – £73.68 Million.
- **Best Uses:** Sovereign root TLD registry (`.Sex`), flagship canonical identity anchors (`Sex.1` , `Adult.1` , `Pornography.1`), visual provenance clearing (`Pornography.Pics`), and A2A governance clearinghouse infrastructure for the global adult AI economy.

Appendix 1: Use as Canonical AI Endpoints Registries

There is a rapidly growing market for Canonical AI Endpoints, driven by the structural transition from human-oriented web browsing to autonomous agentic workflows. Instead of AI agents scraping unstructured HTML or guessing API parameters, a Canonical AI Endpoint exposes an explicit, machine-readable schema (via protocols such as the Linux Foundation **Agent2Agent [A2A]** protocol and Anthropic's **Model Context Protocol [MCP]**) declaring identity, capabilities, consent boundaries, visual provenance metadata, and permitted interactions.

Key Market Drivers & Stack Alignment

1. **Root TLD & Identity Anchoring:** Operating both the root `.Sex` TLD and canonical `.1` endpoints prevents impersonation, enables direct second-level canonical issuance (`*.sex`), and gives AI agents a deterministic root for discovery.
2. **Federated Dual-Stack Web Infrastructure:** Modern agentic platforms separate visual Web2 interfaces (`SexAgenticAI.com`), horizontal A2A interoperability middleware (`SexA2A.com`), dedicated media provenance hubs (`Pornography.Pics`), and immutable machine roots (`.Sex` TLD, `Sex.1` , `Adult.1` , `Pornography.1`).
3. **Agentic Authentication, Age-Gating & Visual Provenance:** Asynchronous agents require cryptographically signed Agent Passports, sender-constrained 18+ clearance tokens, and C2PA visual synthesis verification so autonomous agents cannot generate or distribute unconsented media.
4. **Semantic Search & AI Retrieval (GEO):** Enterprise LLM pipelines and agent directories prioritize canonical endpoints and deduplicated JSON Agent Cards to verify provenance and eliminate hallucinated routing.

Utilizing Handshake .1, the .Sex TLD & Linux Foundation A2A in the Programme

Because ICANN prohibits purely numeric TLDs, Handshake `.1` domains serve as sovereign, unseizable Web3 root anchors, while the `.Sex` TLD provides full zone-level registry authority. An AI Agent querying `Sex.1` , `Adult.1` , `Pornography.1` , `Pornography.Pics` , or any registered `*.sex` endpoint can deterministically verify five core attributes without relying on mutable server IP addresses: (1) **Accountable Operator**, (2) **Authorised Capabilities**, (3) **Agent Passport**, (4) **Current Operational Status** (including real-time revocation flags), and (5) **Approved Service Endpoints**.

By pairing these canonical roots with `SexA2A.com` , the stack bridges decentralized root persistence with the Linux Foundation A2A open standard—allowing any A2A-compliant agent to discover Signed Agent Cards, negotiate tasks, verify visual provenance via `Pornography.Pics` , and clear micro-transactions while preserving continuous TAER intervention visibility even if an underlying operational host experiences an outage or suspension.

Appendix 2: Web3 Domain & Registry Price Comparables

`paradigm.eth` `000.eth` `abc.eth` `wallet.crypto` **`porno.eth`** **$202,162184 ETH — Direct adult category comparable** `artdao.eth` `opensea.eth` `555.eth` `sportsbet.eth` `gamblers.888` `cannabis.crypto` `gambling.crypto` `movies.crypto` `proxy.eth`

Appendix 3: TAER (Team Agent Emergency Revocation) Premium

TAER stands for **Team Agent Emergency Revocation**—an active governance and intervention mechanism designed to suspend, revoke, or contain compromised, unconsented, or malfunctioning AI Agents across federated networks. In high-compliance adult and intimate AI environments, verifiable emergency containment is essential for regulatory approval, payment processing continuity, and user safety.

1. TAER Readiness Valuation Adjustment

TAER Implementation Level	Illustrative Valuation Premium
No TAER capability	0%
TAER declared but unverified	0%
TAER installed with basic operational evidence	2% – 5%
TAER independently tested and monitored	5% – 10%
TAER independently tested, monitored, with proven emergency intervention & recovery	**10% – 15%**

2. TAER Threat Telemetry & Authorised Response Matrix

Potential Threat	Evidence Available to TAER Agent	Possible Authorised Response
Unauthorised / Underage Access Attempts	Failed 18+ KYC tokens, expired clearance assertions, or anomalous request bursts.	Alert, rate-limit, or immediately block gateway ingress at `SexAgenticAI.com`.
Agent Impersonation	Invalid cryptographic signatures, unrecognised Agent Cards, or mismatched `.1` mappings.	Reject A2A handshake at `SexA2A.com` and preserve signed audit evidence.
Prompt Injection & Boundary Breach	Instructions attempting to bypass consent guardrails or trigger prohibited synthesis.	Quarantine payload, restrict tool calls, and isolate session enclave.
Permission Escalation	Agent attempting Tier 3 (`Pornography.1`) execution with Tier 1/2 credentials.	Deny action, revoke delegated token, and notify accountable operator.
Endpoint or Mapping Tampering	Unexpected changes to approved URLs, keys, or manifests between Web2 twin and `.1` root.	Flag discrepancy and suspend affected A2A routing pending operator review.

> *"The TAER protection service monitors participating agent interfaces and security events for suspected attacks, impersonation, consent breaches, and authority violations. It alerts accountable operators and initiates explicitly authorised containment measures at the SexA2A.com routing layer while preserving owner-controlled freezes on Handshake .1 root identities. An AI Endpoint with independently tested emergency control commands a structural valuation premium over an otherwise equivalent endpoint without it."*